

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 97-199-E - ORDER NO. 97-387  
MAY 8, 1997

IN RE: Application of South Carolina Electric     ) ORDER  
      & Gas Company for Authority to Issue        ) AUTHORIZING  
      and Sell \$2,165,000 of its First and         ) ISSUANCE  
      Refunding Mortgage Bonds to be Secured     ) OF BONDS  
      by its Existing Mortgage.                    )

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of an Application, dated May 1, 1997, and filed on May 1, 1997, by South Carolina Electric & Gas Company (the "Company"), whereby the Company sought certain relief in the nature of the authorization of a specific financing transaction. According to its Application, the Company proposes to issue \$2,165,000 principal amount of its First and Refunding Mortgage Bonds, 6½% Series due 1998, to be dated as of the date of authentication, to mature on September 1, 1998, and to bear interest at the rate of six and one-half percent (6½%) per annum from March 1, 1997. The Bonds are to be deposited with the Trustee of the Company's Indenture, dated as of January 1, 1945, as thereafter supplemented, to satisfy, in part, that Indenture's "sinking fund requirement," which become due on or before June 1, 1997. According to the Application, the bonds will be canceled by the Trustee pursuant to the terms of the Indenture. The Company intends and proposes to waive the interest on the bonds for the

period from March 1, 1997, to June 1, 1997.

The Company's Application asserts that the proposed issuance of the bonds is intended to "partially satisfy said sinking fund requirement and minimize the expenditure of cash, thereby conserving Applicant's cash for use in connection with its construction program...." The principal amount of the bonds proposed to be issued will be deposited with the Trustee and will not be sold. As a consequence, no consideration will be received by the Company other than the preservation of its cash for its construction program.

Upon full investigation and review of the Company's Application and the assertions therein, the Commission is of the opinion, and so finds, that the purpose of the proposed issuance is proper and that the amount of the issue is reasonably necessary to accomplish the purpose for which the issuance is to be made. Consequently, the Commission finds that the relief sought in the Company's Application should be granted.

IT IS THEREFORE ORDERED:

1. That the South Carolina Electric & Gas Company be, and hereby is, authorized to issue an additional \$2,165,000 principal amount of First and Refunding Mortgage Bonds, 6½% Series due 1998, to be dated the date of authentication thereof, to mature September 1, 1998, and to bear interest at the rate of six and one-half percent (6½%) per annum from March 1, 1997; that further such bonds are to be issued under and pursuant to the terms of the Indenture of South Carolina Power Company, dated as of January 1,

1945, as supplemented by Fifty-two Supplemental Indentures, and to be redeemable as specified in said Sixteenth Supplemental Indenture;

2. That the Company is (a) authorized to waive the interest due on said bonds for the period from March 1, 1997, to June 1, 1997, and (b) to deposit said \$2,165,000 principal amount of bonds with The Chase Manhattan Bank, Trustee, to satisfy, in part, the "sinking fund requirement," which becomes due on June 1, 1997, under the sinking fund provided for in said Indenture as supplemented, which bonds shall thereupon be canceled by said Trustee pursuant to the terms of the Indenture;

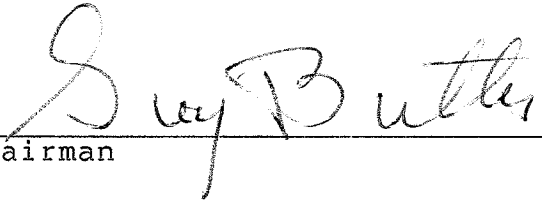
3. That this Order shall not in any way affect or limit the right, duty or jurisdiction of the Commission to further investigate and order revisions, modifications or changes with respect to any provision of this Order in accordance with the law, nor shall this Order dictate the ratemaking treatment of this transaction by the Commission; and

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4. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)